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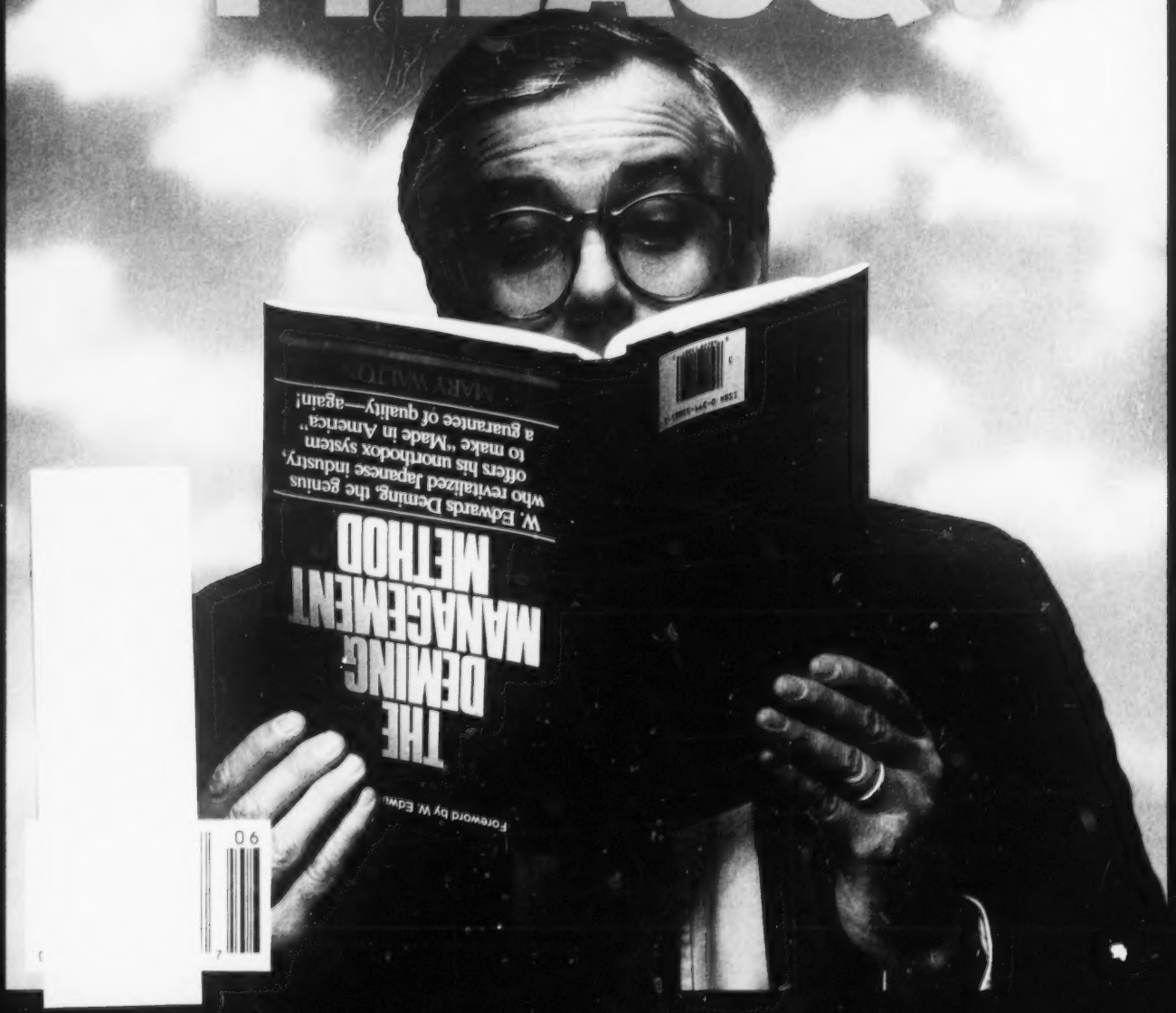
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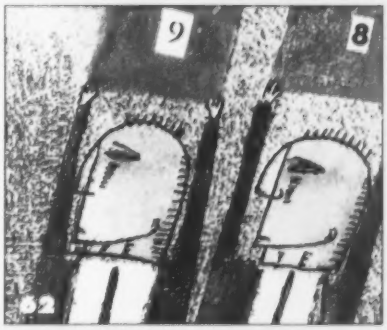

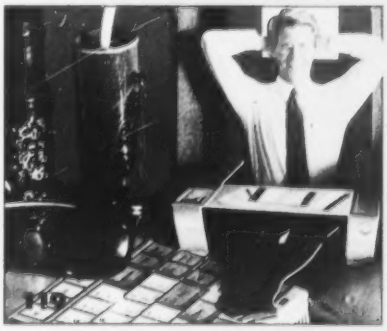

COVER BY GEORGE OBREMSKI

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FEATURES

38 THE UPSIDE-DOWN DEMING PRINCIPLE
In its search for a quick-fix solution, American business is attacking quality from the bottom up via sales and service. Here's a look at how managers are dealing with this strategy.

46 BACK FROM THE FUTURE
The tale of two companies that have ventured to the cutting edge of SFA. One says it has seen the future; the other thinks there's a better way.

58 SOFTWARE DIRECTORY UPDATE
An update of *S&MM*'s eighth annual "Directory of PC-Based Sales and Marketing Applications Software."

62 MANAGING THE MANAGERS
Most managers are trained by other managers. If you truly want to boost your effectiveness, however, you're going to have to learn to listen to the real experts—your employees.

119 THIS ONE'S JUST FOR YOU
Here's how to customize your next direct marketing campaign—and save a ton of money in the bargain.

SPECIAL SUPPLEMENT—BUSINESS TRAVEL

132 ALL "KEYED" UP
Florida's famed islands go after business travelers in their own inimitable laid-back fashion.

139 TRAVEL FAX
Love it or hate it, *S&MM* readers have a lot to say about business travel.

143 EASING TRAVEL'S WEAR AND TEAR
Readers offer their personal strategies for lessening the psychological toll of frequent travel.

DEPARTMENTS

5 THE RACE
6 FAX BACK
10 LETTERS
12 SALES FORCE MANAGEMENT
16 TRAVELERS' NETWORK
24 YOU SAID IT
28 MARKETING MANAGEMENT
31 SHORT TAKES
158 COMPUTERS
160 INCENTIVES
162 COMPENSATION
164 MEETINGS
166 MOTIVATION
168 TELEMARKETING
170 OFFBEAT MARKETING
171 PRODUCT/SERVICE SHOWCASE
172 SALES MART
174 AD INDEX

BACK FROM

CARL FLATOW

THE FUTURE

The tales of two companies that have ventured to the cutting edge of SFA. One says it has seen the future; the other thinks there's a better way.

BY THAYER C. TAYLOR, SENIOR EDITOR

AT&T, an enthusiastic latecomer to field sales automation, and Hewlett-Packard, the first blue-chip company to plunge into sales computerization on a massive scale five years ago, exemplify the polarity that marks sales force automation (SFA) today.

At one end of the spectrum sits AT&T, which is in the midst of a bold high-stakes gamble to make its sales reps more mobile and productive by replacing its branch sales offices with a notebook-type laptop. At the other end is Hewlett-Packard, which was the first major marketer to outfit large numbers of its salespeople with laptops. Despite the fact that H-P is in the business of selling computers, it has recently pulled back from SFA, the general feeling being that something more than computerization is needed to boost sales productivity.

Between these two companies lies a swelling legion of marketers spurred, to one degree or another, to exploit the application possibilities opened up by today's advancements in PC technology. And while most observers agree that consumer goods, pharmaceuticals, and insurance firms are the leaders in sales automation—and that SFA, up to now, has been a big-company phenomenon—SFA is becoming more attractive and more feasible for small and mid-size companies as hardware prices tumble and cost/performance ratios improve.

The numbers tend to support the premise: Market Intelligence Research Corp. of Mountain View, Cal., predicts that smaller companies will be the fastest growing niche in the SFA market between now and the mid-nineties.

Implicit in the logic of sales automation is the reduction—and in some cases the elimination—of the conventional sales branch. The fact that today's branch office is much the same as it was 20 and 30 years ago suggests this is one aspect of SFA marketers have tended to avoid.

CLOSING THE BRANCH OFFICE

The fact is that tomorrow's branch office, if it survives, will bear little resemblance to today's version. That's because the convergence of computer and telecommunications technologies makes the salesperson "location-independent." In other words, the portable computer allows sales reps access to all the information needed to perform their jobs; the software manipulates the information and executes the job functions normally carried out in the branch office, while telecommunications keeps the office and the rep in constant contact.

One marketer tackling the issue head-on is AT&T, which is currently making a bold attempt to create a futuristic "branchless" selling environment through its "virtual office" program. If AT&T pulls it off, its 10,000 account executives (AEs) will have their "branch office" in a laptop, allowing them to spend practically all their time in the field.

According to John C. Guerra Jr., former sales operations vice president of business network sales—AT&T's direct sales force that sells long-distance and international services, as well as credit cards and equipment—the virtual office program has a variety of interlocking missions. Guerra piloted the virtual office program for the first two years of its existence before being promoted to vice president and managing director of AT&T's Latin American, Caribbean, and Sub-Sahara regions.

The overriding goal, Guerra says, is hiking the AE's sales productivity. The key to that, he feels, is "making the salesperson effective away from the office, giving him or her the tools to get the job done wherever they are, including whatever has to be done at the customer's location. We want to create more independent, entrepreneurial-type salespeople who can provide their own branch level support, even doing their own typing."

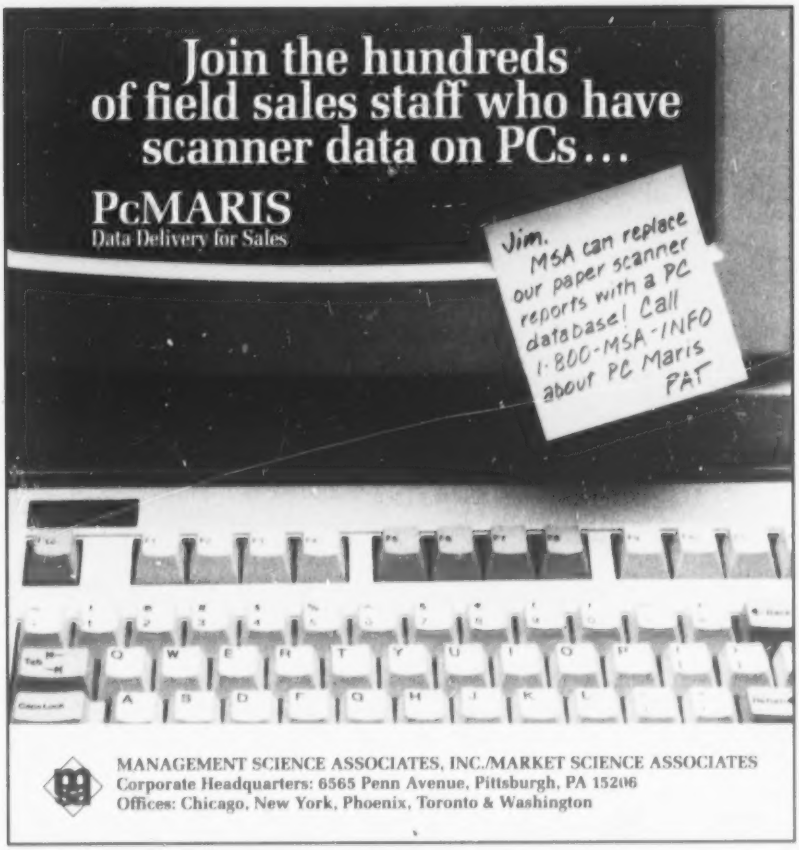
Making the AE self-reliant in the field, Guerra reasons, "will produce better customer service and higher levels of client satisfaction, all of which, in turn, will generate greater revenues per AE. At the same time, when you deploy the sales force to spend considerably more time in the field, there's less need of the expensive real estate used to support a field sales force."

AT&T hopes to save as much as 50% of current branch office costs by reducing the size and number of its 140 existing sales branches. Replacing them will be "core," or drop-in, offices that will have a meeting room plus a temporary cubicle or two for AEs who stop by to use the copier or fax machine, for example.

Guerra thinks AE productivity improvement on the order of 15%-20% is obtainable, adding that AT&T's face-to-face sales ratio will eventually climb to 60% vs. today's 20%-30%. "What we first heard anecdotally from the field," he says, "is now being borne out by statistics from our first measurements."

However, Doug Idleman, project manager in the commercial sector group, which calls on small businesses, hedges somewhat, contending that "it's difficult to isolate virtual office from other factors. It could be that a major promotion increased revenues. We do know the program hasn't had any negative impact on productivity. The AEs have reacted very positively. They like the flexibility."

The linchpin for the virtual office is AT&T's Safari notebook-laptop, which debuted in early 1991 to rave reviews. It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was retitled the 3170 by NCR, AT&T's acquired computer subsidiary, which prefers numbers to names.

Leading from strength, AT&T crammed the 3170 with innovative communication features that Harriet Donnelly, marketing director of Safari Systems, Somerset, N.J., says "gives AEs instant access to needed information—wherever they are." Among the features: an RF (radio frequency) modem that lets them use the Ardis (IBM-Motorola) wireless network for sending or receiving data and an integrated 2400/9600 bps (bits per second) data/fax/cellular modem for sending and/or receiving fax or phone messages. The whole package runs a pricey $5,399 per unit.

MANNING THE VIRTUAL OFFICE

Although the virtual office concept is now three years old, Guerra thinks it'll be at least another year or two before rollout is completed. Doug Idleman, whose commercial sector group was involved in the first pilot test, says 80% of his AEs have been converted to virtual office.

Still, the virtual office isn't without its risks. Anne Berlack, vice president of Neo Inc., Shelton, Conn., a consulting firm specializing in sales management issues, stresses that it "creates a new sales culture as well as major behavioral changes—both sales rep and manager will work independent of a structure in which they've been trained. The salesperson will no longer have the peer support and camaraderie of working in a communal space. The manager no longer has a way of physically keeping an eye on the rep. That's a major psychological and directional leap for both of them."

Agreeing in part, Morley Winograd, former head of AT&T's University of Sales Excellence in Cincinnati, which provides advanced management and product training, sees a behavioral shift occurring over time, but in varying degrees: "The AEs who can't get out of the mode of needing a boss to tell them what to do won't be successful. AEs who are strongly self-disciplined and have time-management skills will love the new environment because they'll have more control over what they do."

Guerra thinks the virtual office will help managers spend more time doing what they like to do most but are often kept from by administrative chores: namely, coaching. "Because the AE isn't going to be around, the manager will have to be on the road making calls with AEs and giving them pointers on what he or she observes.

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At the same time, this means managers will face the challenge of managing their time better to allow for the increased time they'll be on the road."

Guerra sees the virtual office weeding out those managers who won't be able to hack it in tomorrow's more competitive environment. "Most of them will view it as an opportunity to do what they always wanted to do—be good sales managers. Those who love to sit at their desks will hate it and will have to make a career choice."

AT&T also faces potential downside risks in trying to make the virtual office concept work. Currently unresolved is the issue of which administrative support services will be jettisoned or shunted on to AEs in tomorrow's smaller "core" offices. Leslie Fiering, program director of personal computers with the Gartner Group, a Stamford, Conn., research firm, offers the following warning: "They have to decide where they want to optimize. If they think they can cut the support staff that relieves the AEs of administrative chores, that may be wishful thinking. There's no free lunch here."

Equally threatening, especially in view of the drastic cultural changes implicit in the virtual office, is the lack of special training to help AEs—even though the program is three years old. AT&T executives talk of future courses in vague terms, but interviews with four AEs reveal they received no real training oriented to the virtual office.

Finally, AT&T's strategy for putting the virtual office in place raises additional questions. Although the Safari notebook is the foundation for the concept, relatively few of the AEs have them; most AEs are using a melange of laptops from the likes of GRid, Compaq, AST Research, Toshiba, and Zenith. The obvious reason: The Safari has been so popular that NCR is more interested in hustling its sales to paying customers than in making it available to its own people.

Although Guerra doesn't discount the challenges, he remains steadfast in his belief that the virtual office is a model that will be widely copied by other corporations. "We've had at least two dozen Fortune 500 companies visit us for a look at what we're doing," he reveals, "and all are driven by the same needs: to cut costs and boost productivity."

RETHINKING SALES AUTOMATION

Needless to say, Hewlett-Packard isn't among Guerra's visitors. Five years ago, H-P had much the same kind of futuristic vision (code named SPP: Sales Productivity Program) that AT&T has today when it outfitted its U.S. field operations' 2,000 sales reps with its own Portable PLUS laptop and portable ThinkJet printer. Not only was H-P hoping to makes its sales force more productive, it also felt its anticipated success story would give it a commanding lead in the then-nascent SFA market.

Certainly, preliminary results suggested H-P was on the right track. Sales reps' share of time spent with customers jumped from 26% to 33%, for example, and management thought it would eventually soar to 67%. Today, however, that vision is in ashes, H-P is out of the laptop market altogether, and SPP's champions have either left or relocated.

One former insider who recalls SPP's heady days reflects on the pro-

Time and Money: Typical Project Lifecycle Costs for SFA

CYCLE	SOFTWARE & SUPPORT	HARDWARE	TOTAL TIME (MONTHS)
Phase 1 (System Strategy & Design)	10%		4-6
Phase 2 (Software Modification & Pilot Planning)	25%		2-4
Phase 3 (Pilot Testing & Enhancement)	35%	15%	6-12
Phase 4 (Rollout)	30%	85%	6-12
Cost Per Professional	$11,000	$4,000	18-34

SOURCE: Coopers & Lybrand, Marketing, Sales & Service Consulting Practice, Parsippany, N.J.

gram: "We were naive. We thought we knew what the sales process involved and how to automate it. We didn't. Because we didn't understand the process, the tools we pushed on the reps didn't help."

Of course, some parts of SPP lived up to their advance billing and are still in use. The customer information center, for example, designed to handle customer inquiries ordinarily put to sales reps, is said to be very successful, handling some 4,000 calls a day.

H-P is still very much involved in improving sales productivity—it's just taking a less computer-oriented tack. Two years ago, the company created the Field Quality Program (FQP) for North American field operations, closely modeled on a successful program in its manufacturing operation. Instead of pinning its hopes on laptops, H-P now uses customer focus surveys, feedback systems, and courses on problem-solving skills to make sure managers understand that their basic job is to improve productivity.

What distinguishes FQP from SPP, according to Jack Caffey, who set up SPP's customer information center and is now manager of the Field Quality Program, is a matter of focus: "Before, we just gave the reps a laptop in the hopes their productivity would improve. Today, we're more into 'What are the activities, the simple processes that exist in the field, that we might standardize and improve on?' "

Up to now, Caffey has focused on those parts of the sales process that cause a lot of rework for sales reps. Proposal preparation is one activity that dramatically illustrates the wide chasm between the viewpoints espoused by AT&T and Hewlett-Packard. In AT&T's virtual office scheme, rather than pore through bulky manuals to write a proposal, the AE—while in the customer's presence—will access databases for the pertinent information on price, discounts, product specs, terms, etc., pulling together a generic proposal that can be modified or used to create an original one, all with attractive graphics. AT&T's Guerra believes that innovations like this will eventually prune the number of sales calls needed to close a sale. To Caffey, however, it amounts to mindlessly throwing technology at a problem and hoping some of it will stick.

At H-P, quotations are an important part of the proposal preparation. "Our product quotations used to be good for thirty days," Caffey elaborates. "We learned that many companies wanted prices to be valid beyond thirty days. After studying the quotation process and gathering data on the rework involved, we found that forty percent of the quotations to customers were rework. Thus, we figured if we made our quotes good for sixty days, we wouldn't have to prepare as many quotes from scratch, nor would salespeople waste as much time running between the office and the customer preparing quotations. By *looking* at the quotation process, rather than trying to automate it, we were able to simplify it."

While other companies are giving their sales reps software that allows them to create their own proposals, H-P has moved in the opposite direction. Recently, several "proposal centers" were set up, staffed by experts in desktop publishing. Creating proposals is a team effort, Caffey insists, and "giving a laptop to salespeople to do this is immature." He feels that the centers give salespeople the expert help they need and "spares [them] from spending a lot of time preparing proposals."

In Caffey's view, productivity tools given to sales reps should match their daily activities. However, he concedes

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such a match can sometimes be unproductive. "If the sales rep is writing all his own memos and letters and you give him a laptop, he'll love it because it matches his daily activity," he explains. "But we don't want sales reps doing their own correspondence. In that case, it's better to give the computer to an administrative assistant, have the rep dictate a letter, and tell the assistant what literature should be included."

Caffey further stresses that "H-P isn't against computers for sales reps, we're just a lot more sober when it comes to applying them. Different sales activities require different applications."

Users to Take More Notes, Skip Laps: Five-Year Projections of PC Shipments, 1991-96

PC TYPE	UNITS SHIPPED WORLDWIDE 1991	1996	% CHANGE
Multiuser	700,000	1,200,000	+71.4%
Desktop	20,400,000	30,400,000	+49.0
Laptop	2,100,000	400,000	-81.0
Notebook	2,300,000	5,300,000	+130.4
PenTop	0	3,000,000	N.A.
PenTab	0	2,800,000	N.A.
PenPad	0	1,400,000	N.A.
Hand-held	3,000,000	4,200,000	+40.0
TOTALS	**28,500,000**	**48,700,000**	**+69.9%**

Notes: Details may not add up to total due to rounding.

N.A.: Not Applicable.

SOURCE: Computer Intelligence; InfoCorp division.

NEW DOUBTS AND DIRECTIONS

H-P's conversion from apostle to doubter isn't that unusual among major companies. The Index Group, a Cambridge, Mass., consulting firm specializing in information technology, has a consortium called the Alliance, made up of 40 companies in the Fortune 300. When the Alliance was formed three years ago, SFA was the hot topic and the first research projects were devoted to it exclusively. Today, SFA rarely surfaces in group discussions, according to Jay Michaud, Alliance associate director, who adds, "The emphasis has shifted to larger business issues associated with—but not limited to—SFA. People are rethinking the nature of what it is they give to the sales force in terms of tools, what information the sales force needs, and the best way to deliver it."

"The hot button among Alliance members today," says director Joseph Ferreira, "is partnering—building a relationship with your key customers and suppliers, and constructing electronic connections between all concerned.

Continued on page 60

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SOFTWARE DIRECTORY UPDATE

This update of *S&MM*'s eighth annual "Directory of PC-Based Sales and Marketing Applications Software" (December 1991) includes packages released after our publication deadline. Listings (at right) include, in sequence: 1) vendor's name; 2) title of software package; 3) explanation of functions; 4) required memory; 5) price; 6) necessary computer models/operating systems; 7) network compatibility; and 8) installed base/age of package.

In the **Price** information, we have listed, where applicable, single user (SU) and multiuser (MU) fees.

Under **Hardware,** "IBM PC full range" refers to the full line of IBM PC systems: PC, XT, AT, PS/2 (under DOS), and any compatible laptop, as well as non-IBM (but 100% IBM-compatible) computers. Similarly, "Mac full range" refers to any Macintosh computer.

NetBIOS appears, where appropriate, under the **Network** heading. NetBIOS is a generic term for all major DOS-compatible networks and includes Novell and all Novell-compatible networks, such as PC LAN, Vines, etc.

Some software can be used for more than one application. The **boldface** number in each listing of the Vendor Directory below indicates the package's *primary* application; **boldface** numbers in the explanation of functions for each software package refer to the categories where the software can also be applied. (For a list of the 37 application categories, as well as more detailed information and caveats about how to use these listings, see the December 1991 Directory.)

(Note: The descriptive information contained here is provided by the vendors; because of this, *Sales & Marketing Management* cannot guarantee its accuracy.)

Caravan Systems Inc., 16 Greenfield Ave., Woodbridge, Ontario, Canada M2N 3C8 (416-226-2181). Jay Rein. **1**

Curtis Software Corp., 2730 Monterey St., Suite 11, Torrance, CA 90503 (310-320-2451). James Curtis. **2**

Data Solutions Inc., 2340A Schoenersville Rd., Allentown, PA 18103 (215-264-2260). Lina Striglia. **12**

Davis Software Engineering Inc., 1950 Stemmons Freeway, Suite 3044, Dallas, TX 75207. (214-746-5210 or 800-373-2668). Dawn Smith. **32**

Folio Corp., 2155 No. Freedon Blvd., Suite 150, Provo, UT 84604. (801-375-3700 or 800-543-6546). Sales Dept. **6**

James Hall Systems, 7335 Cuvier St., La Jolla, CA 92037 (61-551-0433). James Hall. **28**

KWIC Software, 539 Kent St. N., Simcoe, Ontario, Canada N3Y 3S1 (519-428-4650). Kent Rapley. **1**

Lightning Creative Software, 16885 Via Del Campo Ct., Suite 220, San Diego, CA 92127 (619-673-6915 or 800-745-8105). Harlan Friedman. **20**

Palo Alto Software, 260 Sheridan Ave., Suite 219, Palo Alto, CA 94306. (415-325-3190). Tim Berry. **27**

Profile Technologies, 6 Londonderry Commons, Suite 331, Londonderry, NH 03053. (603-434-4817). Steve Baker. **1**

Software for Me, P.O. Box 1180, Cooper Station, New York, NY 10276 (914-668-2829). Floyd Victor Etienne. **20**

Research Coordinator: Melissa Campanelli. Additional research provided by Thayer C. Taylor.

VENDOR	PACKAGE	DESCRIPTION	MEM.	PRICE	HARDWARE/SYS.	NETWORK	#/AGE
Attain Corp.	In Control	To-do list manager; organizes & categorizes activities to meet shifting needs; combines outlining with a row & column database manager; from the creators of FileMaker. **20**	512K	$129.95	Mac + & up; MOS 6.07+	No	New
Azure Software Inc.	PACEE—Project Analysis for Capital Equipment Expenditures	Specifically for buyers/sellers/marketers/financers of capital equip.; assists in selection & implementation of investment projects. **23**	640K (hard disk)	$395	IBM PC full range; DOS 2.0+	No	New
Canveon Systems Inc.	Infotrac†	Contact/sales management system; laptop merge utility; order entry; reports/notes/to-do lists; sales forecasting. **1, 7, 12, 27, 28**	384K	$395 (SU); $1,195 (MU)	IBM PC-AT & up; DOS 3.0+	All DOS-based Net-BIOS compatible	New
Curtis Software Corp.	Catalog On Disk†	Creates catalogs for distribution on diskette. **2, 5**	384K	$495	IBM PC full range; DOS 3.0+	All DOS-based Net-BIOS compatible	New
Data Solutions Inc.	LeadTrac	Tracks & categorizes leads by company name, address, phone number, contact name, etc.; generates categorized reports/notes. **12**	640K (hard disk)	$49.95	IBM PC full range; DOS 3.1+	All DOS-based Net-BIOS compatible	New
Davis Software Engineering Inc.	Tele-Scope†	Multiuser telemarketing application software; import, process & export data into variety of formats; includes predictive & preview dialing; call-specific scripting; real-time reports, macro & micro management. **32, 12**	1 MB (hard disk)	$25,000-$250,000	IBM PC-AT & up; DOS 3.1+	Novell 3.11, WAN	New
DeLorme Mapping	DeLorme's Street Atlas USA	Street-level map database for the entire U.S.; user can view the whole country or specific states/regions/neighborhoods; runs under Windows 3.0. **13**	2MB (CD-ROM)	$99	IBM PC-AT & up, VGA color monitor; DOS 3.1+	All DOS-based Net-BIOS compatible	New
Dynamic Interface Systems Corp. (DISC)	More $ales†	Relationship-building system; increases revenues & decreases costs; improves customer relations; lead tracking; pop-up features; automatic dialing; telecommunications. **28, 1, 12, 20, 25, 32**	640K (hard disk)	$2,100 (SU); $7,400-$26,000 (MU)	IBM PC full range, VGA color monitor; DOS 3.3	All DOS-based Net-BIOS compatible; WAN	New
Folio Corp.	MailBag	Add-on package to E-mail program; stores & retrieves data within infobase; key word indexing. **6, 20, 36**	512K (hard disk)	$295	IBM PC full range; DOS 3.0+	Novell	New
James Hall Systems	Sales Cortex	System for the support & integration of the sales force; companywide pool of PIM-level sales, marketing, competition, product information; used in accordance with the Solution Selling course. **1, 12, 21, 22, 25, 28, 32**	3MB (hard disk)	$1,500+	Mac + & up; MOS 6.03+	All Mac compatible	New
KWIC Software	KWIC Contact	Contact/account management program; perpetual calender/memos; laptop merge utility; multiple database capability; partial key search; on-line help; accesses contact list. **1**	384K (hard disk)	$99.95 (SU); $199.95 (MU)	IBM PC full range; DOS 2.0+	All DOS-based Net-BIOS compatible; UNIX, XENIX	New
Lightning Creative Software Inc.	Mind Strategies†	Program that aids in setting personal, business, financial & spiritual goals; contains hundreds of motivational quotes & graphic images. **10, 20**	640K (hard disk)	$129.95	IBM PC full range; EGA/VGA color monitor; DOS 2.0+	All DOS-based Net-BIOS compatible	New
Logix Development Corp.	Centri 1.13	Parameter-driven lead-tracking system; tracks sales, support, advertising effectiveness. **12**	512K (hard disk)	$5,000 (SU); MU discount	IBM PC full range; DOS 3.1+	All DOS-based Net-BIOS compatible	New
MapLinx Corp.	MapLinx	Database mapping application system; searches for contacts by zip code; works with ACT! 2.0 & FoxPro 2.0 programs. **13, 14**	640K (hard disk)	$99-$399	IBM PC-AT & up; DOS 3.1+	No	New
Palo Alto Software	Business Plan Toolkit 4.01†	Business plan development program; includes a complete 240-page manual, spreadsheet files for forecast & financial tables/graphs, Text Writer Guide application & complete sample business plan. **29**	512K or 1MB (needs Lotus)	$149.95	IBM PC full range, any DOS; Mac + & up, any MOS	All DOS-based Net-BIOS compatible; all Mac compatible	New
Profile Technologies	INFOtrac 2.01†	Sales & contact management program; integrates with word processor; laptop merge utility; to-do list, auto-dialer, notes/reports; forecasting function; key word index. **1, 27, 28**	384K (hard disk)	$495 (SU); $1,995+ (MU)	IBM PC full range; DOS 3.1+	All DOS-based Net-BIOS compatible; OS/2, UNIX, XENIX	New
Software for M+	A Piece of Mind	Program containing over 340 quotations, proverbs, aphorisms & anecdotes; items are cross-indexed into 48 categories; runs under Windows 3.0. **10, 20**	640K (hard disk)	$39.95	IBM PC full range; DOS 3.0+	No	New

† Customizable program

Continued from page 56

That downplays SFA because the salesperson may become an unnecessary intermediary. One of the building blocks of partnering is giving key customers direct access to certain databases. If the customer can get answers to questions about products, delivery schedules, or availability by going into a database, why does he need the salesperson?"

While Ferreira stresses that "no one has said this means the salesperson will become superfluous," the fact is that if the sales rep's much touted information role is blunted and electronic data interchange (EDI) takes over the ordering function, marketers down the road will have to decide what's left for the salesperson to do.

Escalating SFA budgets are cited as another cause for diminishing interest in SFA by blue-chip firms. "These projects are very expensive," says Kay Roberts, field marketing manager of pharmaceuticals for Digital Equipment Corp. (DEC) in Philadelphia, "Some are on the order of $10 million to $20 million over a three- to five-year project lifecycle. With the recession and tighter cost controls, companies are now taking a more analytical approach to SFA. They're asking themselves: What really is the justification for these systems? What values are they providing for the money they require? What are we getting out of them?"

Not everyone is throwing away their laptops, however. Giving the sales rep tools for providing the customer with better service is still a major catalyst for companies adopting sales automation programs. Typical of this approach is Ciba-Geigy's pigments division in Newport, Del., where a carefully planned four-phase program called LUSTRE (Laptop Utilities for Sales Technical Response) is under way. Using this program, sales reps will get information they need faster and, at the same time, will feed information into a "competitor database" that management can use as a research and policy-making tool.

Making sure customers get product literature when they need it is one way laptops will be used. For example, a sales rep will include in his or her call report the literature a customer has requested. When the call report is put into the system, the literature request will be automatically routed to the division's lab, where it will be handled on a next-day basis. After the literature is sent, a lab member will mark "complete" on the rep's message and return it to the rep's electronic mail box.

Salespeople will also gather data for two databases—one devoted to customer profiles, the second to competitor information. This information will include such things as what equipment customers are using, purchases, applications, dispersion techniques, pricing, and complaints. The information-gathering gets high priority, says project leader Joseph Kettenacker, because "the best information comes from people in the field." However, Kettenacker doesn't think this will impede existing selling efforts, because "the system will save salespeople a lot of time when they're looking for the information a customer has asked for."

Still, in order to win top management support, Kettenacker had to set up hard and soft dollar cost justifications for each phase of the automation project. "After each phase's rollout, we'll determine the cost savings," he says. "Obviously, there wasn't much cost savings in the first phase. But the other phases will produce savings in things like paper and mailings, as well as what you gain from faster response to customer inquiries and better service on customer work requests."

Newer technologies like pen-based and palmtop computers might also attract companies to SFA because they expand the situations where computers can be used. One company that's using pen-based technology to strengthen its information hand is Gillette, the Boston-based personal care products marketer.

In this case, the firm invests GRid Systems' GRidPad with a dual-purpose function: Some 300 merchandisers tracking blade and razor products 1) collect data on retail conditions in stores, such as end-of-aisle displays and comments made by clerks and store managers; and 2) receive instructions to be reviewed before entering a store on goals to pursue for each outlet they visit.

"A Pathmark supermarket will have a different set of objectives than an Osco drugstore," explains Ted Standish, director of sales information systems for Gillette's North Atlantic group. "The objectives come from the AE calling on buying headquarters. Based on information from the field, the AE draws up the goals he or she feels will improve the business and provide a value-added service."

Each night, the merchandisers plug their GRidPads into the telephone and dial a host computer. The information gathered that day is uploaded to the computer, after which instructions for the next day's retail outlets are downloaded to the GRidPads. Stressing that the information that's now gathered every night formerly took weeks when paper forms had to be keypunched, Standish notes that "this helps us be even more responsive to customers' needs."

Lightening the salesperson's burden is another natural for palmtop portables. Before Pacific Bell's 200 key AEs adopted the palmtop marketed by Poqet Computer, Santa Clara, Cal., they lugged bulky books covering rates, discount packages, co-op advertising schedules, promotion programs, and special headings when they made their rounds selling advertising for the company's Yellow Pages directories. Then, too, there were the long, embarrassing silences while the key AE hurriedly fumbled through a 40-page rate book to find the answer to a question posed by a potential advertiser.

Today, all the books are stored in a Poqet pocket portable, making it possible for the sales rep to display various programs via a few keystrokes. Lloyd Hutchinson, key AE in San Diego, feels the single information source helps him sell more effectively. "Having all the information together makes it easier to be in tune with the various programs," he says. "Before I call on a prospect, I'll pull different programs up on the screen and look at them to see what will be most appropriate for that call."

The portability and convenience of palmtop and pen-based technologies, in particular, may make it hard to resist the call of SFA for many companies. In fact, market researcher William Lempesis, Pleasanton, Cal., projects shipments of pen-based computers skyrocketing from virtually nothing in '91 to 1.4 million by '93, and 5.35 million by '95.

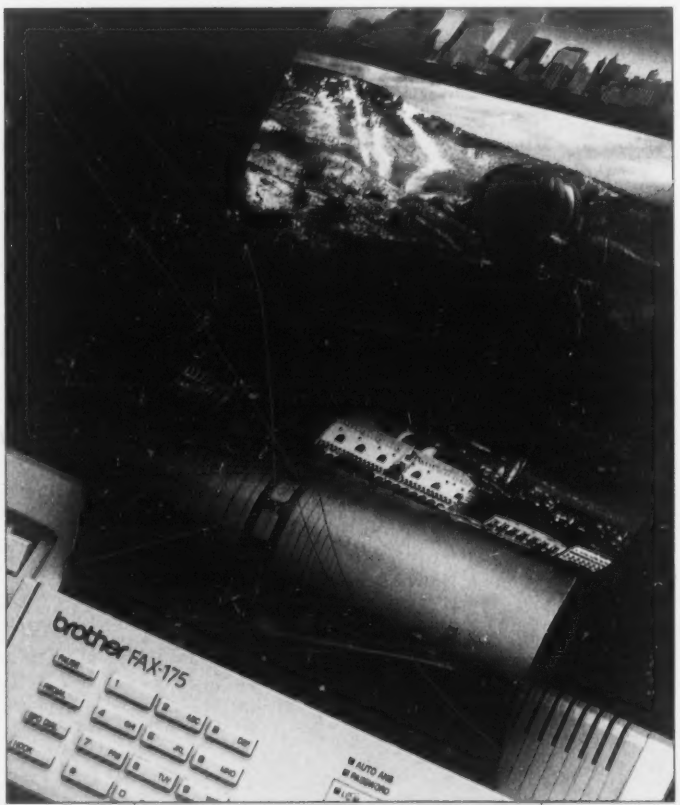
No matter how you cut it, that's a lot of technology for the taking. ❖

Portability and convenience may make it hard for many companies to resist the call of SFA.

TRAVEL FAX

Love it or hate it, *S&MM* readers have a lot to say about business travel.

BY LOUISE DRIBEN, EXECUTIVE EDITOR



GEORGE OBREMSKI

In February, our "Fax Back" department played "Twenty Questions," soliciting your responses, opinions, and feedback on a number of issues related to business travel.

The result: Our fax line was deluged. Obviously, the topic struck a chord with our readers. And although we were pleasantly surprised by the number of responses, we weren't altogether surprised by the nature of your answers, experiences, and complaints. In fact, in many cases they served as reinforcement of the same old stereotypes—albeit with a couple of new twists. In other instances, we were able to pinpoint some trends among executives in sales and marketing. Here's what we found.

First, the universe of respondents: The Fax Backs we received indicate that 60% of you work for industrial products companies, 31% in services, and 16% in consumer businesses. (Note: Figures for some questions total more than 100% due to multiple responses.) Job titles run the gamut of corporate responsibilities, from president and CEO to regional sales manager—and even to administrative assistant to the president.

The size of the sales forces of our respondents is equally varied. Several indicated that they're a sales force of one; another numbered his legions at 2,000! Most, however, work at companies with sales forces of under 100.

Regardless of the size of their sales forces, however, our respondents all have one thing in common: they travel—a lot. Those in industrial products, for instance, report taking an average of 28.3 trips a year of 3.4 days each, while those in service travel 25 times a year on trips lasting an average of 3 days. In consumer goods, the numbers were 35.2 trips and 3.2 days, respectively (see chart, page 140). For this last group, that works out to a whopping 113.3 days away from home, nearly one-third of the entire year.

CORPORATE POLICIES

While some 45% of the respondents' corporations, divisions, or departments do *not* have a written set of guidelines regarding business travel, an overwhelming 88% feel having such a policy is a good idea. Of course, there are direct benefits of instituting written business travel guidelines, among them the ability to maintain tighter cost controls, better budget forecasting capabilities, and more control over salespeople's time and travel.

However, there's also a downside to having such a policy. Business travel guidelines are often written by a committee, and they're just as often written, executed, and enforced by the personnel department or human resources staff—office-bound folks who don't necessarily have a realistic sense of what sales and marketing people experience and need when on the road.

Because of this, corporate-mandated business travel allowances may have little relation to the reality of salespeople's needs or to the varying costs of business travel across the country—especially when it comes to entertainment expenses, an integral part of selling.

We also raised the question of corporate policy on frequent-flier mileage accrued while on company-paid business travel. Only 10% of respondents indicated their companies had "no

such policy." The vast majority (86%), however, indicated that the mileage—and all benefits associated with it—belong to the employee, to do with what he or she sees fit. Only 4% indicated that frequent-flier mileage belongs to the company or must be used for company-related business travel.

Also, 88% of our respondents indicated that their companies *did not* have an established per-diem dollar figure for business travel. However, respondents whose companies *did* have such a policy cited markedly similar parameters for per-diem figures: an average of $29 per day for food, $100 a day for hotel expenses.

Another policy question concerned whether companies maintain corporate accounts with a specific airline, auto rental firm, or hotel chain. While 38% of the respondents indicated they don't have any such arrangements, those who do listed auto rental firms most often (98%), followed by accounts with "preferred" hotels (40%) and accounts with specific airlines (35%). Interestingly, respondents indicated that though they often maintain accounts with more than one car rental firm or hotel chain, the majority of those indicating accounts with specific airlines mentioned only one such liaison.

Who takes care of making travel arrangements for the sales force? The hands-down winner here was outside vendors or travel agencies, used by a full 61% of our survey respondents. Three respondents even noted that their outside vendor was located on-site and therefore dedicated to providing service to their company alone. Another answered that his company uses an outside vendor only for sales meetings. Rounding out the field, in-house travel departments were used slightly more often than staff personnel for this administrative task (see chart at the right).

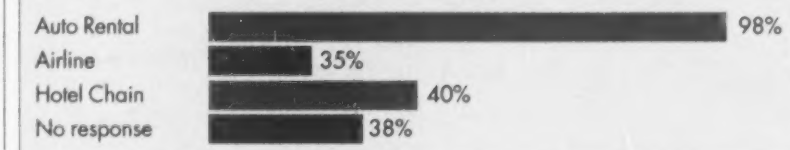
COST CONTROLS

How are sales and marketing executives who spend a good deal of their time on the road making the most of their corporate travel buck? When asked what changes, if any, they've made in business travel habits over the past year—when prices have generally soared and incomes, both corporate and personal, have not—most of our Fax Back respondents took the same road.

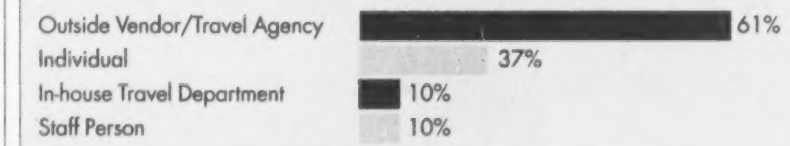
In fact, many *literally* took to the road, noting that they travel more frequently by car and less by air than they

SUPPLEMENT HIGHLIGHTS

Does Your Company Have a Corporate Account with a Specific Airline, Auto Rental Firm, or Hotel Chain?*



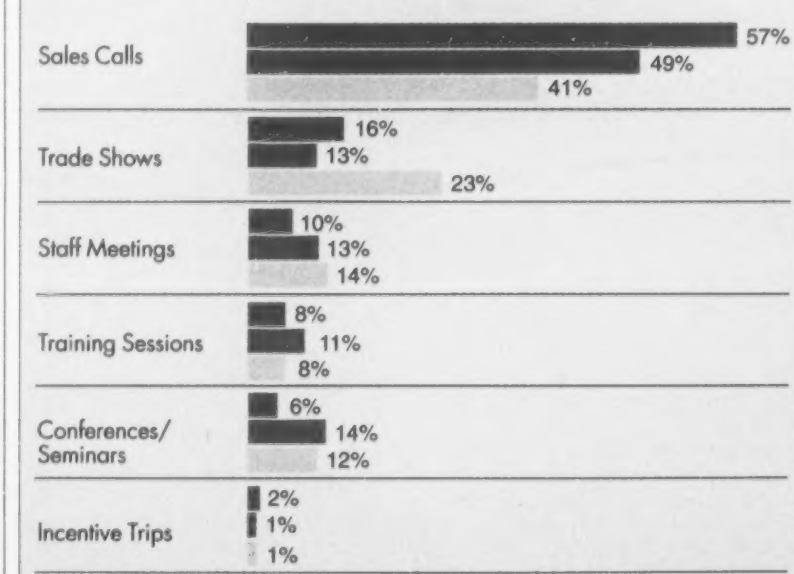
Who Makes Your Business Travel Arrangements?*



How Many Times Have You Traveled for Business in the Last Year?

LINE OF BUSINESS	% OF RESPONDENTS*	AVG. NUMBER OF TRIPS	AVG. DURATION
Industrial	60%	28.3	3.4 days
Services	31	25.0	3.0 days
Consumer	16	35.2	3.2 days

What Percentage* of Your Time Is Allocated to:



*Due to multiple responses and rounding, figures will not always total 100%.

have previously. They're also combining itineraries to neighboring destinations, thereby consolidating trips. And to get the biggest bang out of the buck on those air trips deemed essential, respondents are booking airline reservations earlier in order to capitalize on lower fares, staying over that extra Saturday night, double booking (perhaps hoping fares will go down), and even buying double round-trip tickets to take advantage of their seemingly lower fares, with the idea that the other half of each ticket can be used on future trips.

Others, acknowledging that air travel is a necessary evil that may not be as infrequent as they'd like, are downgrading hotels and "upgrading meals with part of the money 'saved' " on lower air fares. Others are upgrading to first-class air travel by using frequent-flier mileage.

Some respondents, on the other hand, are cutting the *amount* of travel they do, picking up the slack by doing more business via fax, phone, and letter-writing.

DIVIDING ONE'S TIME

When asked what percentage of their business travel time is allocated to sales calls, staff meetings, trade shows, training sessions, incentive trips, and conferences/seminars, it was clear that, whatever their line of business, survey respondents spend the majority of their time on the road making sales calls and the least time traveling on incentive trips. In industrial and consumer firms, trade shows were the second most frequently cited reason for travel, followed by staff meetings (see chart, page 140).

Your comments also indicated that all this professional selling activity on the road leaves you with little or no time to spend enjoying all the attractions of your numerous destinations. (For more on what respondents enjoy the most and least about business travel, see "Easing Travel's Wear and Tear," page 143).

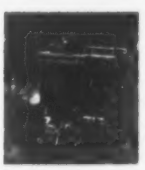
Despite the demands—both professional and physical—of business travel, however, respondents managed to find enough positive aspects to form opinions of favorites cities—and even airports.

In fact, given the long list of grievances about air travel that respondents provided when asked to cite their biggest complaint when traveling, it was surprising that any of them listed a "favorite" airport—although a number actually did. The typical answers to that question, however, ran the gamut from "Are you kidding?" to "No such thing." Still, Atlanta's Hartsfield garnered its share of admirers, followed by the Orlando, Tampa, and DFW airports, in that order. An equally interesting list resulted from our call for favorite cities. Here, San Francisco was far and away the leader, followed by Chicago and Seattle.

Also noteworthy was the range of foreign cities and airports cited: Bangkok, Hamburg, Hong Kong, London, Mexico City, Tokyo, and Santiago, Chile, were favored cities; Mexico City, Ontario, Singapore, and Zurich favorite airports. Clearly, many of our readers are actively engaged in sales and marketing beyond our borders.

What do all these numbers, tables, and opinions prove? Nothing finite in the world of selling, to be sure, but they do provide us with the sense that our readers are extremely conscious of the value of both time and money when they're on the road and that they're keenly aware of their surroundings—even if they don't really have the time to enjoy them. ❖

Tell Your Best People To Go Jump In The Lake.



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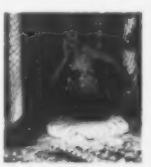

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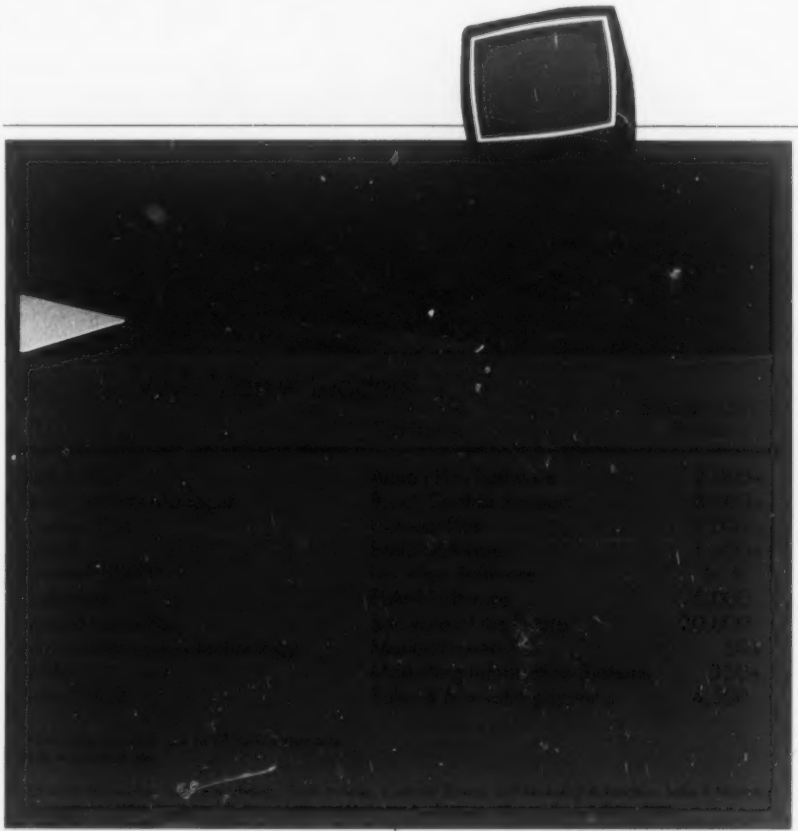
COMPUTERS



BY THAYER C. TAYLOR, SENIOR EDITOR

SMA SOFTWARE MARKET MAKES ITS OWN RULES

What price praise? This is a highly debatable point when it comes to sales and marketing (SMA) automation software—especially when you compare two leading annual directories of such systems.

Barton Goldenberg, president of Information Systems Marketing (ISM), Washington, D.C., a consultant firm specializing in SMA, publishes the *Guide to Sales, Customer Service, and Marketing Automation* ($995), which includes what ISM considers to be the 50 market leaders, based on functional and technical analyses, as well as performance tests of approximately 300 software packages.

Among the top 10 packages cited in the 1992 edition of the ISM report (see table), the installed base—according to data from *S&MM*'s "1991 Directory of PC-Based Sales and Marketing Applications Software"—ranged from 50 to 20,000.

These figures, however, are dwarfed by the mass sellers in the sales force automation (SFA) market. Among the 10 systems with 100,000 installations or more (again according to *S&MM*'s 1991 software directory), three are sales-oriented: Sales Management Solutions from Real World Corp., Concord, N.H. (300,000); Act! 2.0 from Contact Software Int'l, Carrollton, Texas (200,000); and Your Way from PRISMA Software, Cedar Falls, Iowa (100,000).

ISM's 1992 leadership ranking shows considerable churn from the previous year, when only seven software packages were cited as market leaders. The new top 10 rankings include a startling *seven* newcomers: Action Plus, Contact Plus, Emis II, Fastrack 3000, Goldmine, Market Force Plus, and Matrix Information Technology. Rounding out the list are three holdovers from last year's top seven: Brock Activity Manager, MSM, and Sales CTRL2.

This year's *Guide* supplements the software reviews with expanded sections on the implementation of SFA, how to measure SMA benefits, and the new role of data communications (see "Back from the Future," page 46).

Goldenberg notes that SMA benefits are both tangible and intangible, the former being much easier to quantify, since for the most part they concern increases in revenue per sales rep, overall business results, number of customers, contact time spent by reps with customers, new prospects pursued by reps, time spent by sales managers contacting key customers and working with sales reps, customer satisfaction, and the timeliness of follow-up customer correspondence. Among the intangibles: smoother functioning of the firm, improved company image, differentiation from competitors, and improved understanding of and control over selling and marketing costs.

CREATING A BUDDY NETWORK FOR SALES SYSTEMS

Now that computerization has finally been embraced by the last great bastion of corporate resistance to automation—the sales department—the problems involved in integrating sales-based systems with those of other divisions will begin to get more attention.

The idea here is to develop information that's more useful to sales and marketing departments, as well as to enable other departments to take advantage of sales-based data. According to Kathy Barton, marketing manager for sales systems at GE Information services, Rockville, Md., one of the most important trends in the sales force automation (SFA) market is "the movement that says this information is more valuable to my company if I can do something with it in addition to letting the local sales rep use it. The definition of SFA is no longer territory management on a laptop; rather, it's the integration of hardware, software, communications, electronic messaging, training, documentation, implementation, and ongoing support."

Most companies currently have islands of information—billing, marketing information, and order entry systems—that are underutilized because they don't share information. As a result, Barton describes a familiar scenario: "You want to mail a promotion piece to all clients using a certain product. The billing system has all the addresses, but it's not integrated with the marketing information system, which tells you what products customers are using. Nor is it integrated with the order entry system, which tells you all the customers that received a certain product within a certain time frame and how much they're billing."